

(916) 445-0753; FAX: (916) 322-4357

RFP No. 96-1

July 10, 1996

TO: Prospective Research Contractors

RE: Request for Proposals (RFP) for the Innovative Clean Air Technology (ICAT) Program

The Air Resources Board invites you to submit a proposal in response to the attached RFP. Please read the entire RFP package.

For this RFP, the applicant must submit a preproposal that will be screened for projects which meet the criteria of this RFP. Applicants passing the screening process will be required to submit a complete and detailed final proposal, along with all the administrative requirements, to be eligible to compete for ICAT funding. Contracts will be awarded to applicants given the highest scores by an ARB evaluation committee and whose proposals meet the RFP standards and requirements, until ICAT funding for the current fiscal year is depleted. A successful applicant must provide evidence that s/he has the qualifications, competence, experience, resources, and business integrity necessary to carry out the work under the contract. We reserve the right to reject any proposal deemed nonresponsive to the RFP, not responsible, and/or not reasonable. ARB staff will make the final decision regarding these conditions.

California State Law (Public Contract Code, Section 10115 et seq., Title 2, California Code of Regulations, Section 1896.60 et seq.), requires that "goals of participation" involving Minority, Women, and Disabled Veteran Business Enterprises (M/W/DVBEs) be met for each contract entered into by and between the State and outside contractor(s). The minimum percentages of participation that must be obtained for this contract are: 15% for MBE, 5% for WBE, and 3% for DVBE. **Do not submit M/W/DVBE packages with the preproposal.** However, if your preproposal passes the screening process and you are asked to submit a final proposal, M/W/DVBE requirements must be met at that time. **Failure to comply with the M/W/DVBE requirements as set forth will cause your final proposal to be deemed non-responsive and ineligible for award of this contract.**

A proposal that changes the terms of the RFP or the contract provisions will be considered a counterproposal and will be rejected as non-responsive.

Please submit your preproposal to:

John R. Holmes, Ph.D., Chief
Research Division
California Air Resources Board
Room 122, 2020 L Street
Sacramento, CA 95814

To be considered, your complete preproposal must be received at this address by 4:00 p.m. on August 12, 1996.

The award will be for a cost-reimbursable contract, in which the contractor's costs are reimbursed for actual expenses incurred during the invoice period. Under no circumstances will ARB reimburse the contractor for costs exceeding the contract award. No work shall begin until the contract is approved by the Department of General Services.

We appreciate your interest in the ICAT Program. If you have any questions regarding the RFP, please submit them in writing no later than 4:00 p.m., on July 24, 1996, to the Contracts Administrator, Ms. Annmarie Mora, at the above address.

For questions concerning Minority/Women/Disabled Veteran Business Enterprise requirements contact:

Phyllis Carey
(916) 324-1832

Sincerely yours,

Robert D. Barham
Assistant Chief, Research Division

Attachments

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INTRODUCTION

The Innovative Clean Air Technologies (ICAT) Program is a development and demonstration program established to help develop and commercialize technologies to reduce air pollution. The goal of the program is to support technologies that have the potential for improving air quality in California while simultaneously helping to stimulate the State's economy. The program focuses on the development of technologies that will succeed in the California marketplace, thereby resulting in benefits to California taxpayers. These benefits can take many forms, including environmental benefits, increased jobs, or decreased costs. The ICAT program represents a partnership between the State and technology developers.

The ICAT program is a broad-based technology development program that is meant to attract the best ideas in air pollution prevention and control. Basic research will not be funded; emphasis is on projects that are closer to commercialization (see Figure 1).

FIGURE 1
STEPS TO COMMERCIALIZATION

	IDEA DEVELOPMENT
	PROOF OF CONCEPT
▲	PILOT
▲	PROTOTYPE
▲	APPLICATION DEMONSTRATION
	COMMERCIALIZATION

ICAT funding is available for these steps (▲).

Examples of projects the ICAT program may fund are:

- o pilot-scale equipment refinement and adaptation;
- o equipment-prototype development and testing; and
- o full-scale prototype, field trials, and technical demonstrations of innovative technologies to determine system performance, reliability, and cost effectiveness (i.e., application demonstration).

The ICAT program does not have a specified group of technologies for which it is targeting funding. Instead, nearly every type of air pollution prevention and control technology is eligible for co-funding under the program, including emission control technologies, emission prevention technologies, alternative fuels, electric vehicles, and less polluting consumer products. In general, energy projects that are not directly regulated by ARB or air pollution control districts will not be funded (e.g., windmills). **Eligible projects must increase the**

efficiency of existing air pollution prevention and control technologies, increase their cost-effectiveness, or develop new, cost-effective alternatives. All projects must have a broad-based application (e.g., no single point application), high potential for commercialization, and potential for job creation in California.

FUNDING

Approximately \$1 million in funding is anticipated to be available for co-funding projects selected for ICAT awards under this solicitation. Projects generally will be funded for up to two years. No more than \$500,000 will be awarded to any one project. Although this Request for Proposals (RFP) represents a bona fide intention to fund projects, the ARB has the right to reserve all or a portion of the available funding for use in other solicitations.

REQUIRED MATCH

Matching funds are required for all contracts funded under the ICAT program. Matching funds are that portion of the total project cost not funded by the ICAT program. Applicants are responsible for securing the required matching funds. At least 50 percent of the total project cost must be paid for by matching funds. All applicants must demonstrate significant commitment to the project by either (1) providing at least 20 percent of the project funds or an amount equal to the requested ICAT funds, whichever is less, or (2) demonstrating prior investments directly related to the project of a dollar amount equal to or more than required under (1). Applicant funds provided under (2) may not be used to meet the 50 percent matching funds requirement (see Figure 2). Funds from other California State agencies will be allowed when matching funds from non-state agencies equal or exceed the requested ICAT funds.

Matching funds may include in-kind services (based on market value of the service). However, actual dollar commitments are also required. Dollar commitments include salaries, benefits, travel expenses, and equipment purchased specifically for this project. In-kind services include use of existing equipment, general and administrative expenses, and overhead.

APPLICATION PROCESS

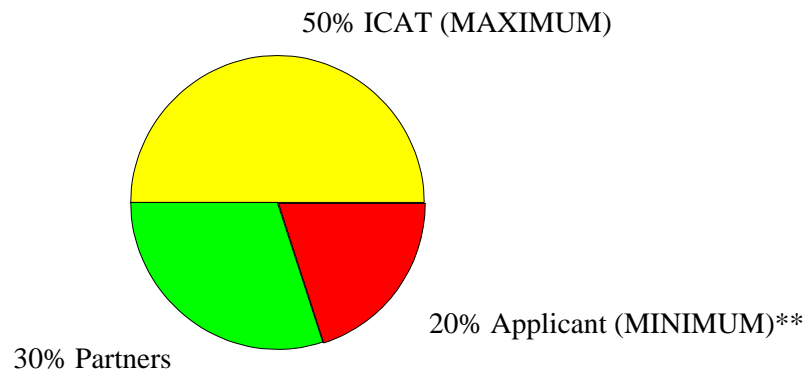
Projects will be selected for ICAT funding through a two-step process. Applicants will submit a preproposal of up to 6 pages that will be screened for projects which have potential to reduce air pollution, support ARB needs, have technical and business merit, and have potential for creating jobs in California. Applicants passing this screening will be required to submit a complete and detailed final proposal, along with all the administrative requirements, to be eligible to compete for ICAT funding. Final proposals will first be reviewed for responsiveness to administrative requirements, matching fund requirements, and complete budgets. All proposals meeting these requirements will be evaluated for technical feasibility, market potential, ARB needs, and potential for job creation in California. Interviews of applicants may be conducted if additional information is needed. ARB staff may visit the project site of finalists prior to awarding contracts. Due to limited resources, all eligible projects may not be funded.

Information to be included in the preproposal is discussed in Section II of this RFP. Information to be included in the final proposal is discussed in Section III. Contract terms and administrative requirements are included in Section I.

Preproposals will be rated using the selection criteria given on page 15 of this RFP. Final proposals will be rated using the selection criteria given on pages 22 through 24.

FIGURE 2

ICAT MATCHING FUNDS*



* ICAT funding limited to \$500,000 per project.

** May be met by prior investment. However, a total of at least 50 percent matching funds for the current project is still required, regardless of the applicant/partner mix.

PROPRIETARY INFORMATION

PROPRIETARY INFORMATION WILL NOT BE ACCEPTED AT THE PREPROPOSAL STAGE.

The ARB discourages ICAT applicants from submitting proprietary information in their proposals. However, applicants may want to specify proprietary technical information to allow the reviewers to gain a complete technical understanding of the proposal. Applicants submitting proprietary information must do so in accordance with ARB regulations on disclosure of public records (Appendix IV, California Code of Regulations, Title 17, Section 91000 et seq.). The ARB will handle requests to hold confidential information as specified in the regulations. These regulations require the applicant to specify the proprietary information at the time of submitting it to the ARB (see page 10, Requesting Confidentiality of Specific Information).

SCHEDULE

<u>Activity</u>	<u>Date</u>
Questions on RFP	July 24, 1996 No later than 4:00 p.m.
Preproposals Due to ARB	August 12, 1996 No later than 4:00 p.m.
Notification of Preproposal Results	Mid-September 1996
Workshop	Late September 1996
Final Proposals Due to ARB	Late October 1996
Interviews (as required)	Mid-November 1996
ARB Approval	March-April 1997
Contract Start Dates	May 1997

QUESTIONS

Applicants requiring clarification of the intent or content of RFP 96-1, or having questions on procedural matters regarding the competitive bidding process may submit written questions. Send all questions in an envelope clearly marked "Questions Relating to RFP 96-1" for receipt by the ARB Research Division no later than 4:00 p.m. on July 24, 1996.

TECHNOLOGY FEASIBILITY

Technologies that do not obey the laws of physics, will not be considered for funding under

the ICAT program. In addition, projects that rely upon or require the development of technologies outside the scope of the proposed project are unlikely to receive high technical scores. Consequently, all proposals should present scientific/technical information showing:

- 1) The proposal is based on sound scientific principles and does not violate commonly accepted laws of physics.
- 2) Project success does not depend on undeveloped technologies outside the scope of the proposed project.

SECTION I

GENERAL PROPOSAL AND CONTRACTING INFORMATION

This section contains general information about preparing both the preproposal and the final proposal. General contracting information is also included.

BUDGET

Projects will be funded through cost-reimbursable contracts. A cost-reimbursable contract is one in which the contractor's costs are reimbursed by ARB at specified intervals upon completion of the work required for that period. Under no circumstances will the ARB reimburse the contractor for costs exceeding the contract award. ICAT contractors will be reimbursed upon completion of each task or subtask.

Only those costs actually incurred by the contractor and appearing on the invoice for the period billed will be reimbursed. No reimbursement will be made for invoices that, in the judgment of ARB staff, do not comply with the requirements of the contract. **MATCHING FUNDS MUST BE SPENT AT THE SAME RATE AS OR FASTER THAN THE ICAT FUNDS.**

Eligible costs for direct project costs include:

- o actual salaries of staff assigned to the project (at market rates);
- o benefits (up to 35 percent of salary);
- o subcontractors/consultants;
- o reasonable travel expenses (travel and accommodation by the most economic means, within State rates - see Travel Expense Reimbursement Chart, page 3-12);
- o chemical analyses and performance monitoring;
- o other costs deemed reasonable;
- o overhead costs such as lease of office space or laboratory facilities used specifically for the project (up to 100 percent of salaries); and
- o general and administrative expenses (up to 15 percent of salaries).

Limited credit will be given for use of existing capital equipment for in-kind services (up to 10 percent of capital cost depending on previous and future use of the equipment).

Ineligible costs for ICAT funding include:

- o permanent structures and their repair or remodeling;
- o general company operating costs;
- o legal fees;

- o basic research costs, except where a relatively small component of the ICAT project is research essential to the success of the ICAT project as a whole;
- o feasibility studies, market research studies, and financial analysis;
- o paper studies;
- o liability analysis;
- o patent analysis;
- o expenses associated with commercialization, full-scale production, deficit financing, or marketing; and
- o contingencies;
- o profits for applicant and partners; and
- o design work, except where it is a relatively small component (less than 25 percent) and essential to the success of the ICAT project as a whole.

CONTRACT MONITORING

Meetings

A meeting will be held between key project personnel and the ARB contract manager and staff at ARB offices in Sacramento before work on the contract begins. The purpose of the meeting will be to discuss the overall plan, details of performing the tasks, the project schedule, changes to the project team, and any issues that may need to be resolved before work can begin.

Another meeting will be held in Sacramento at the conclusion of the project to review the project results and discuss plans for commercialization.

Reporting Requirements

The contractor will be required to submit progress reports with each invoice at the end of each task or subtask. If the interval between invoice periods is more than three months, the contractor will be required to submit progress reports at three month intervals. The progress report will contain:

- o a summary of project tasks or subtasks completed or partially completed since the last progress report, including a discussion of any problems or opportunities that have emerged as a result of the ongoing work;
- o a summary of eligible expenses for the achievement of the task or subtask, including a record of expenses (required if the progress report occurs at the completion of a task or subtask);
- o actual budget and cash flow compared to the ones previously forecasted in the contract as well as an updated budget and cash flow for the remainder of the project;
- o a summary of eligible expenses paid cumulatively since the beginning of the project as well as the total amount of dollars spent on the project to date;

- o a status report on plans for commercialization, including minimum production levels and subsequent levels leading to the optimum level of commercialization; and
- o copies of minutes of management and other meetings as they relate to the project, as well as relevant material handed out at these meetings.

Final reporting requirements include:

- o a two-page, publication-ready summary outlining the key features of the project;
- o a detailed report discussing major aspects of the project including a discussion on the technology (e.g., describe the technology, work completed, work remaining, and potential problems). Also include an assessment of the net environmental and economic benefits that have accrued to the contractor and to California as a result of the completion of the project (e.g., expected reductions in emissions by type and quantity, impact on other media, number and type of permanent jobs created, and California tax revenue generated). These benefits will be compared with those previously predicted at the commencement of the project. The contractor is expected to make reasonable efforts to quantify benefits to the extent possible through appropriate data collection during the project; and
- o an updated commercialization plan, including minimum levels of production and sales needed to achieve commercialization, expected time to commercialization, expected sales and profits following commercialization, and partners.

Technical Monitoring

Any shift in funds or dates during the course of the project by the contractor requires the prior approval of the ARB contract manager. At the completion of each task, the contract manager may make a site visit to evaluate the attainment of the task.

Audits

Each contractor will be required to submit an annual financial statement within 120 days of the contractor's fiscal year-end. Financial statements are to be prepared in accordance with generally accepted accounting principles, including all necessary explanatory notes. The financial statements are to be audited or compiled by the applicant's independent public accountant. The statement will clearly identify and distinguish between ICAT project finances and other finances. A financial statement will also be required upon project completion and receipt of the final payment. As with the annual statements, this statement is required to be submitted within 120 days of the contractor's fiscal year-end and is to clearly identify and distinguish between ICAT project finances and other finances.

Commercialization Monitoring

The ARB contract manager will continue to monitor the advancement of the technology through the commercialization stage.

INVOICING

The contractor will submit invoices in triplicate. The invoice will itemize all expenses incurred during the task or subtask identifying both ICAT expenses and matching-fund expenses. Each item in the invoice will correspond to an item in the project budget.

The ARB staff will be responsible for approving payments. Payments will be made based on the satisfactory completion of tasks or subtasks and the submission of complete invoices and progress reports.

PROPRIETARY INFORMATION

"Proprietary data" is data the contractor has identified in a satisfactory manner as being under the contractor's control prior to commencement of performance of an ICAT contract or produced by the contractor or its subcontractors at their own expense, and which the contractor has reasonably demonstrated as being of a proprietary nature either by reason of copyright, patent or trade secret doctrines in full force and effect at the time when performance of an ICAT contract is begun.

1. The ARB **will not accept** the following submitted information as proprietary:
 - a. financial documentation/records;
 - b. budget information (e.g., overhead or hourly rates of individuals);
 - c. M/W/DVBE information;
 - d. names of subcontractors and matching fund participants; and
 - e. approved patents.
2. The ARB **will accept** requests for confidentiality for information that is essential to understanding the proposal, and fits the following description.
 - a. **Technical data** or data as used means recorded information regardless of form or characteristic, of a scientific or technical nature. The data may be graphic or pictorial delineations in media such as drawings or photographs, test specifications or related performance or design type documents or computer software. Computer software may include computer programs, data bases and documentation. Further examples of technical data include research and engineering data, engineering drawings and associated lists, specifications, engineering calculations, standards, process sheets, manuals, technical reports, catalog item identification, and related information. However, Government Code Section 6254.7 states that all information, analyses, plans or specifications that disclose the nature, extent, quantity, or degree of air contaminants or other pollution which any article, machine, equipment, or other contrivance will produce, which any state or local agency requires applicant to provide before the applicant builds, erects, alters, replaces, operates, sells, rents, or uses such article, etc., are public records. All air monitoring and emission data are public records.

Technical data as used herein does not include financial reports, cost analyses and other information incidental to contract administration.

- b. A **trade secret** is any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented and which is known only to certain individuals with a commercial concern who are using it to fabricate, produce, or compound an article of trade or a service having commercial value and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it.
- c. Information developed for the Commercialization Plan may be deemed proprietary for marketing purposes.
- d. Any information that is **patent pending** may be deemed confidential until a patent has been approved.

Requesting Confidentiality of Specific Information

Any proposal in response to this RFP which contains data claimed to be a "trade secret" or otherwise exempt from disclosure under Government Code Section 6254 or 6254.7 or under other applicable provisions of law must identify in writing, at the time of submission, the portions of the proposal containing such data as "confidential". **All confidential information shall be submitted in an envelope separate from the rest of the proposal.** The envelope and each page containing confidential information are to be clearly marked "confidential". Also to be provided is the name, address and telephone number of the individual to be contacted if the ARB receives a request for disclosure of or seeks to disclose the data claimed to be confidential. Submit all requests for confidentiality per California Code of Regulations, Title 17, Section 91000 et seq., Disclosure of Public Records (see Appendix IV). Emissions data shall not be identified as confidential.

How ARB Will Handle Proprietary Information Requests

The ARB will make every attempt to protect the confidentiality of information that has been submitted in accordance with ARB regulations on confidentiality. However, applicants are advised that the State cannot provide an absolute guarantee that materials designated as confidential will not be disclosed to the public. Further, the State cannot accept legal liability if such disclosure occurs.

ARB will not disclose data identified as confidential, except in accordance with the ARB requirements (see Appendix IV).

Depending on the technical complexity of the project and the nature of the expertise of reviewers, a proposal may be reviewed by outside, independent experts. These experts may be drawn from California universities, other government agencies, and/or private industry. Complete and return Form 6 with the final proposal if submitting proprietary or confidential information to allow for external review.

ADMINISTRATIVE REQUIREMENTS

Administrative requirements do not have to be met at the preproposal stage. The following administrative documents must be included with the final proposal submission. All forms must be signed by the appropriate authority.

MINORITY, WOMEN AND DISABLED VETERANS BUSINESS ENTERPRISE (M/W/DVBE) PARTICIPATION PROGRAM REQUIREMENTS (Appendix I)

California law requires that all contracts let by the State have participation goals for specific types of businesses. The goals are to have 15 percent of the contract amount used by minority business enterprises (MBE), 5 percent by women business enterprises (WBE), and 3 percent by disabled veterans business enterprises (DVBE) working on the project. Specific requirements, forms, and instructions for meeting the M/W/DVBE requirements are available in Appendix I.

All applicants are required to return a completed and properly executed package of M/W/DVBE participation forms with their final proposal.

Please note: Do not submit your M/W/DVBE participation forms at the preproposal stage. However, failure to comply with the M/W/DVBE requirements in your final proposal submittal will be grounds for rejection.

CONTRACT PROVISIONS

The successful bidders, upon accepting the award, will be required to enter into and sign a contract that incorporates certain contract provision. These include the State Standard Agreement (Appendix II) and the ARB's Additional Contract Provisions (Appendix III). Ownership of the technology developed with ICAT support may remain with the companies performing the work. However, the State may choose to retain rights for its own free use of the technology.

SECTION II

PREPROPOSAL CONTENTS

The preproposals will be screened for projects with the potential to reduce air pollution, support ARB needs, have technical merit, and have potential for creating jobs in California. The preproposals are to be no longer than 6 (8 ½ x 11 inch) typewritten pages excluding the title page, application/authorization form, and letters from partners. **DO NOT INCLUDE PROPRIETARY INFORMATION IN THE PREPROPOSAL.** M/W/DVBE requirements do not have to be met at the preproposal stage.

Applicants passing the preproposal screening will be invited to submit final proposals to the ICAT program. Final proposal requirements are described in Section III.

TITLE PAGE

The proposal title page is to contain the project title, lead person, submitting organization and partners. Give the address and telephone number for each organization. Partners for the purpose of the ICAT program are persons/organizations that contribute resources to the project (money or in-kind services).

APPLICATION/AUTHORIZATION (Form 1)

Complete each item on the application/authorization form, and date and sign the form. Limit the project abstract to 400 words: state the problem to be addressed by the proposed project, describe previous work done relating to the proposed project, state the project objectives, briefly describe the project and identify the ICAT portion, and list the expected emissions reductions and estimated jobs to be created from the commercialization of the proposed project.

DESCRIPTION OF PROJECT

IN THE PREPROPOSAL, ADDRESS ALL THE INFORMATION REQUESTED BELOW IN THE ORDER LISTED:

- 1) Provide a description of the technology, how it works, and how it will be developed.
- 2) Include a line drawing, sketch, flow chart, or schematic of the technology to show how it works.
- 3) Provide emission test results and list the method used (e.g., the Federal Test Procedure, U.S. EPA test method, ARB test method).
- 4) Briefly describe each major task and identify the major contributors to each task.
- 5) Clearly identify what portion of the work will be supported with ICAT funds.
- 6) Discuss how close the technology is to commercialization.
- 7) Explain how this technology is innovative compared with existing technology

- and identify the potential applications of the technology.
- 8) Describe and quantify the expected environmental, technical, and economic benefits to the applicant and California from the commercialization of the technology.
 - 9) Discuss how this project will address ARB research and technology needs and priorities as expressed through ARB policies, programs, and publications.
 - 10) Identify potential barriers to the adoption of the proposed technology.
 - 11) Describe contractor resources available for the project (e.g., buildings, shops, and tools).
 - 12) Explain why ICAT funding is needed.
 - 13) Specify the duration of the complete project and of each task.

JOB GROWTH POTENTIAL

Identify which California companies will be involved in this project and in manufacturing of the proposed technology.

Describe the California jobs that will be created by the commercialization of the proposed technology (e.g., how many and what types).

QUALIFICATIONS

Briefly describe the qualifications of the key staff and their respective organizations. Include managerial, technical, and business/marketing experience, particularly relating to the proposed project.

BUDGET

Show the budget and funding source for each task, split between ICAT funds and each partner's contribution (include both monetary and in-kind support). Identify total funding requested from ARB and total matching funds including monetary and reasonable value of in-kind services. Identify total contributions by each partner. Show all costs including labor, supplies and equipment, travel, and subcontract costs for each partner and subcontractor.

In the travel budget, allow for travel to the ARB in Sacramento for a kick-off meeting at the beginning of the project and a meeting at the conclusion of the project. Travel rates shall not exceed the rates established by the State Department of Personnel Administration Regulations (page 3-12) for civil service employees, or verification must be supplied that indicates that such rates are not available to the contractor. No foreign travel is allowed. **Refer to the lists on pages 6 and 7 of this RFP for ELIGIBLE and INELIGIBLE expenses for ICAT projects.**

It is not necessary to use the attached Budget Forms for the preproposal.

ATTACHMENTS

Letters of commitment from each partner are required. **No other attachments are to be included.**

SELECTION CRITERIA

Preproposals will be evaluated on a pass/fail basis using the following criteria:

- A. Support of ARB needs,
- B. Technical merit, and
- C. Job growth potential.

Only preproposals that pass the technical merit will be evaluated for support of ARB needs.

Topics to be considered in the evaluation are:

- A. Support of ARB Needs - the need by the ARB of such a product to meet goals and regulatory requirements
- B. Technical Merit - obeys laws of physics, not basic research, stage of development (see Figure 1), feasible, innovative, reasonable and complete project, supporting test data, reasonable budget, technical staff
- C. Job Growth Potential - California jobs (consider product to be made in California following commercialization), types of labor (skilled and professional preferred)

WHEN AND WHERE TO SUBMIT PREPROPOSALS

The deadline for submitting preproposals is no later than 4:00 p.m. on August 12, 1996.

Deliver the preproposal (with original signatures) and 12 copies in a sealed package to the ARB's Research Division with the proposing company's name on the outside of the package and addressed as follows:

Innovative Clean Air Technologies Preproposal

**John R. Holmes, Ph.D., Chief
Research Division**

California Air Resources Board

Room 122, 2020 L Street

Sacramento, CA 95814

SECTION III

FINAL PROPOSAL CONTENTS

We expect the total amount of funding requested by ICAT applicants to significantly exceed the amount of funds available to the program. As a result, the evaluation and selection process of the program is expected to be very competitive. Proposals that win ICAT awards will show significant economic and air pollution reduction benefits to California and reflect a high degree of technical, fiscal, and administrative excellence within the applicant's team. This section contains information for assembling final proposals and describes the information the ARB requires.

The checklist shown in Table I (page 25) lists the contents of the proposal package. A sample of each form is attached. Proposals should be typed on 8 ½ x 11 inch paper and assembled in the order shown by the checklist.

TITLE PAGE

The proposal title page is to contain the project title, lead person, submitting organization and partners. Give address and telephone number for each organization. Partners for the purpose of ICAT are persons/organizations that contribute resources to the project (e.g., money and in-kind services).

APPLICATION/AUTHORIZATION (Form 1) and **APPLICANT PRIOR INVESTMENT** (Form 4)

Complete each item on the application/authorization form, date, and sign the form. Limit the project abstract to 400 words: state the problem to be addressed by the proposed project, describe previous work done relating to the proposed project, state the project objectives, briefly describe the project and identify the ICAT portion, and list the expected emissions reductions and estimated jobs created from the commercialization of the proposed project.

If the applicant desires to take credit for any prior expenditures on the development of the technology, complete Form 4.

DESCRIPTION OF PROJECT

The narrative should be concise and thorough. Include sufficient detail so both reviewers familiar and unfamiliar with the technology area can evaluate its technical merit and commercialization potential. It is important that the proposal demonstrate the project team's knowledge and expertise in the technology area. Where possible, the results of engineering analyses and engineering drawings should be used to support technical claims made in the proposal. Claims regarding improvements in efficiency or cost-effectiveness that are unsupported or are based upon erroneous assumptions may result in the proposal being disqualified or receiving a low score. Proposals that quantify and support with documentation the impacts and benefits of the proposed project are likely to be rated higher. It is also important that the proposal clearly identify and quantify the project benefits and show that the technology has high potential for commercialization.

Project Description

Provide a description of the technology and how it will be developed. Clearly identify what development work will take place during the project and which will follow the project. Discuss the environmental and technical goals and objectives of the project. Differentiate between the goals of this project and the ultimate goals of the technology development. Describe each task and identify the major contributors. Clearly identify what each subcontractor will do. Important steps should not be overlooked (e.g., industry panel review, intermediate process, product scale-ups, shakedown testing, allowance for prototype modification, and demonstration trials). Clearly identify which work would be supported by ICAT funds. Explain why ICAT work is needed. Wherever alternative development and demonstration approaches to reaching the goals are possible, provide a justification or rationale for the particular proposed approach or proposed sequence of tasks.

Describe how this project relates to previous research projects undertaken by the team members or by other researchers in this particular field. Specify how this project is unique with respect to any previously related work. Relate your proposal to the latest literature on the topic. Explain how this technology is innovative compared with existing technology.

Describe current and future applications for the technology. Explain how this project will address ARB research and technology needs and priorities as expressed through ARB regulations, policies, programs and publications.

Discuss technology barriers that will be addressed by this project. In particular, explain the major impediments to the development of the project technology and how the project will help resolve the identified barriers. Barriers might include: key scientific uncertainties or knowledge gaps, engineering and materials barriers, or economic barriers specific to the subject technology.

Clearly describe the products to be developed during the course of the project, such as hardware products (prototypes, samples, mock-ups, demonstration units, etc.), and reports. In addition, describe how the products developed in the project will be used to fully commercialize the technology and bring it into the marketplace.

Benefits

Discuss why ICAT funding is needed and why the ARB should fund the project. Identify the expected environmental, technical, and economic benefits of the commercialization of the technology. In particular, discuss how the project will benefit California. Clearly quantify the benefits of the project and provide indicators of how these benefits will be monitored and measured over the course of the project. Estimate the number of new jobs in California during this project and from the commercialization of the technology along with the types of labor required. List the expected reductions at the individual emission sources in emissions/air pollution by quantity and type, compared with current technology. Identify any potential impacts from the new technology on other media (e.g., waste water, toxic waste, and landfill waste). Also provide expected revenue and sales in California and elsewhere from commercialization of the proposed technology development.

All projects must show air pollution reduction and job growth benefits. Calculations and

assumptions should accompany the narrative.

COMMERCIALIZATION PLAN

Describe the product/process that is expected to be ultimately commercialized and the forecasted sales and revenues during each year of the commercialization period. Characterize the current status of the technology development, how close it is to commercialization, and the extent to which the proposed project will help accelerate its commercialization. Explain what additional work will be needed after the proposed project to bring the technology to commercialization.

Understanding the Market

Describe the need or opportunity in California, the United States, and/or foreign markets for the product. Identify the target market (both domestic and foreign) that would be served by the proposed technology. Discuss the relevant characteristics of the market (size, location, market timing and growth, market segments, trends, purchasing criteria, competitors, and expected market share). Determine the market size in terms of units, and total dollar sales expected in the first (base) year of reaching the market. Estimate the market growth based on the expected sales in the base year. Discuss the factors that will influence the growth rate. Include the likelihood and nature of spin-off technologies/benefits.

Competition

Describe the strengths and weaknesses of the product/process. Explain how the product will be different (e.g., cost, and quality) from competing technologies already in the marketplace or currently being developed. Discuss the advantages the product has over competing technologies.

Commercialization

Identify at what point the product will be commercialized (e.g., minimum level of production needed to make the product competitive, and minimum annual sales required to make a profit). Describe the strategy for commercialization, including how it will be financed, personnel and organizations to be involved, length of time to commercialization, and how the product will be carried through to potential users in the marketplace (market plan). Discuss the facility where the product will be manufactured, including where it is located, its capacity, and modification that may be needed. Identify the critical path leading from the current status of development to full commercial availability. Identify milestones to be achieved during the commercialization phase, outlining how the commercialization levels will be reached, the estimated date of milestone completion and the person responsible. The final milestone will be the minimum level of production that must be reached at the end of the commercialization period. Provide reasoning why the proposed work is a necessary step along the critical path.

Identify your or your partner's ability to license the technology or to bring the product to market. If you do not yet have a commercialization partner and you will need one, describe what you are looking for in a partner, and what you have done to identify one. Explain how you will proceed to develop the partnership roles, legal structure, etc.

Identify barriers to commercializing the technology, such as environmental constraints the technology faces in California, resource constraints to technology deployment, and institutional or regulatory barriers. Discuss how these barriers will be addressed.

Financial

Estimate the total budget to commercialize the technology. Indicate how much funding is required and sources of funding. Project financial statements (sales income, balance sheets, cash flow) from commercialization to break-even sales. List and discuss assumptions that may have a significant impact on your forecasts (e.g., interest, inflation rates, market size, availability of financing, market growth rate, pricing, and timing of government legislation). Provide evidence of access to funds for the project through commercialization.

PERSONNEL DESCRIPTION

Briefly describe the qualifications of the key staff and their respective organizations. Include managerial, technical, and business/marketing experience, particularly relating to the proposed project. Clearly identify the lead person that will have lead responsibilities and will be the main contact with the ARB.

Project Team

This section of the proposal should graphically display and explain the structure of the project team. The relationships between all the project team members should be explained in light of the project structure. Indicate the team member who will have overall responsibility for management of the project, and any team members who will be acting primarily as matching-fund participants. Discuss in detail how the work will be allocated among staff and subcontractors. Identify who is in charge of each task, who will work on each task, and what work each subcontractor will do.

Describe the ownership and legal structure of the partner organizations and the legal structure between the organizations. Discuss the relationship/interaction between the technical and the commercialization teams.

Project Team Technical Qualifications

This section of the proposal should explain the qualifications of the project team to conduct the proposed work. In particular, describe the team members' experience and expertise with the proposed technology. Where applicable, cite references to past and current work directly related to the technology area being addressed in the project. Provide resumes of all key individuals responsible for conducting work on the proposed project (including subcontractors). It is important to establish that the project team is qualified to conduct the proposed work. Therefore, provide specific examples and references to the experience and expertise of the team in the technology area.

Project Team Managerial and Business Capabilities

Clearly describe the necessary managerial and business strengths to ensure the successful completion of the proposed project and for successful commercialization. Discuss how these strengths will be used to successfully complete the project and commercialize the technology. Provide resumes of all key managerial and business personnel. Describe the past achievements of the firm and project principals in developing and commercializing new technologies.

APPLICANT AND PARTNERS' FINANCIAL STATUS (Form 2)

Clearly describe the financial status of each project partner, and the capability of the partners to provide the necessary matching funds over the life of the project, and to financially support the project through technology commercialization. Identify where the partners' capital comes from (e.g., sale of products, or capital markets). Discuss the legal relationship between each partner (e.g., clearly identify subsidiary organizations).

For each project partner:

- o Describe company operations and types of products produced;
- o Discuss commitment to the project in terms of matching funds and prior investments directly related to the project;
- o Complete Form 2, Corporate Statistical Information, to the detail requested (Form 2 does not have to be completed for government entities);
- o Provide copy of filed Articles of Incorporation or filed Partnership Agreement;
- o Provide copy of Fictitious Name Statement filed; and

- o Provide the previous two year-end business financial statements, including income statements, balance sheets, and cash flow statements. Individuals may provide personal financial statements. Public sector applicants may attach copies of audited financial statements or the applicable portions of approved agency budgets which substantiate that there are adequate funds to pay all project costs other than those associated with ICAT or third-party funding.

Financial statements should be prepared in accordance with generally accepted accounting principles, including all necessary explanatory notes. The financial statements should be audited or compiled by the applicant's independent public accountant. The ARB's preference is for audited financial statements, as an audit or review lends greater credibility to the financial statements provided by an applicant. In lieu of audited financial statements, the applicant may provide financial statements compiled by an independent public accountant.

BUDGET (Form 3) and IN-KIND CONTRIBUTIONS (Form 5)

Complete each item on each page of Budget (Form 3). Show the budget and funding source for each task, split between ICAT funds and each partner's contributions (include both monetary and in-kind support). Identify total contributions by each partner. Identify total funding requested from ARB and total matching funds including monetary and reasonable value of in-kind services. Also identify other sources of funding being sought. Clearly identify on Form 5 the dollar amounts that represent in-kind services and describe how each in-kind service dollar amount was determined. **Refer to the lists on pages 6 and 7 of this RFP for ELIGIBLE and INELIGIBLE expenses for ICAT projects.**

In the travel budget, include the specific purpose of each trip, destination, and cost. Allow for travel to the ARB in Sacramento, California for a kick-off meeting at the beginning of the project and a meeting at the conclusion of the project. Travel rates shall not exceed the rates established by the State Department of Personnel Administration Regulations (page 3-12) for civil service employees, or verification must be supplied that indicate that such rates are not available to the contractor. No foreign travel is allowed. Expenses related to sales or marketing are not eligible.

SCHEDULE

Provide a graphic display (e.g., timeline) of a measurable bench mark for each project task and the corresponding completion dates. The graphic display should identify the tasks, deliverables, and due dates. Assume a start date of July 1997. In addition, provide a graphic display of the schedule to commercialize the technology, starting from the completion of the proposed project through the minimum level of production required at the end of commercialization.

ATTACHMENTS

Letters of commitment from each partner are required. Letters of support from potential customers (i.e., appropriate individuals or companies) to show market support for the proposed technologies are encouraged.

PROPOSAL QUALIFICATIONS

Proposals must meet all requirements as specified in this RFP. Proposals will first be screened for the following requirements; proposals not meeting these requirements will be administratively disqualified.

- o Minority, Women and Disabled Veterans Business Enterprise (M/W/DVBE) Participation Requirements - as discussed under ADMINISTRATIVE REQUIREMENTS on page 11 and 12 of this RFP and in Appendix I.
- o Matching funds - both the 50 percent total matching fund requirement and the 20 percent applicant requirement as specified in REQUIRED MATCH on page 2 of this RFP must be met. Clearly identify both matching fund amounts on Form 1. Missing or incomplete information on Form 1 may be grounds for disqualification.
- o Budget forms - completed and signed Form 3 in detail as specified under BUDGET on page 21 of this RFP and on Form 3.

SELECTION CRITERIA

Proposals will be evaluated using the following criteria, the weight of each criterion (weighing factor) is given in parenthesis:

Policy Review

- A. Support of ARB needs (25),

Technical Review¹

- B. Reasonable and complete project (15),
- C. Stage of development (10),
- D. Innovative (10),
- E. Emission reduction (5),

Business Review²

- F. Business merit and commercialization plan (15),
- G. Length of time to commercialization (5),
- H. Job growth potential (5), and
- I. Financial support (10).

Criterion will be ranked from 0 to 4 using the following scale:

- 4 - Strongly exceeds criteria
- 3 - Moderately exceeds criteria

¹ A score of at least 120 for the Technical Review group will be considered a qualifying score.

² A score of at least 105 for the Business Review group will be considered a qualifying score.

- 2 - Satisfactorily meets criteria
- 1 - Partially meets criteria
- 0 - Does not meet criteria

The scale number will be multiplied by the weighing factor for each criterion and summed to calculate a score. Additional points (up to 25) will be given to proposals with attached letters of support. The score from each review group and the support letters will be added together to determine the final score. Funding will be awarded to projects starting with the highest rated project until ICAT funding is depleted.

Topics to be considered in the evaluation are:

- A. Support of ARB Needs - the project is needed by the ARB to meet goals and regulatory requirements.
- B. Reasonable and Complete Project - supporting test data, drawings and schematics, feasible/technical barriers, work to be performed using ICAT funding, technical staff, reasonable budget.
- C. Stage of Development - more credit given to projects closer to commercialization (see Figure 1).
- D. Innovative - creative solutions to air quality problems.
- E. Emission Reduction - individual device, source category.
- F. Business Merit - marketability, market size, target market (both domestic and foreign, more credit for the domestic market), market growth potential, competition, expected market share, commercialization potential, broad-based application, how addresses market barriers, potential decrease in costs to technology users, business staff.
- G. Length of Time to Commercialization - higher score for shorter period.
- H. Job Growth Potential - California jobs (consider product to be made in California following commercialization), types of labor (skilled and professional preferred).

- I. Financial Status - ability to support project through commercialization, firmness of funds, financial soundness of partners, reasonable commercialization budget.

Letters of Support

Maximum of 5 points for each strong letter of support up to 25 points. To receive 5 points, the letter must be from a company with a high potential for using the technology or a company that will commercialize the technology.

WHEN AND WHERE TO SUBMIT FINAL PROPOSALS

The deadline for submitting proposals will be late October 1996. Applicants invited to submit a final proposal will be notified of the exact submission date.

Deliver the final proposal and budget (with original signatures), 25 bound copies of the proposal, 25 bound copies of the budget, and four bound copies of the Administrative Requirements (see page 11 and Appendix I) to the ARB's Research Division with the proposing company's name on the outside of the package and addressed as follows:

Innovative Clean Air Technologies Proposal
John R. Holmes, Ph.D., Chief
Research Division
California Air Resources Board
Room 122, 2020 L Street
Sacramento, CA 95814

TABLE 1

Bidder's Checklist for Items Required for Final Proposal in Response to RFP 96-1

- ☐ Title Page
- ☐ Table of Contents
- ☐ Application/Authorization for RFP 96-1 (Form 1)
- ☐ Description of Project
- ☐ Commercialization Plan
- ☐ Personnel Description
- ☐ Applicant's Financial Status
 - ☐ Form 2, Corporate Statistical Information
 - ☐ Articles of Incorporation or Filed Partnership Agreement
 - ☐ Fictitious Name Statement
 - ☐ Previous Two Year-End Business Financial Statements
- ☐ Budget (Form 3)
- ☐ Applicant Prior Investment (Form 4)
- ☐ In-Kind Contributions (Form 5)
- ☐ Schedule
- ☐ Confidentiality Provision (Form 6)
- ☐ Attachments
 - ☐ Letters of Commitment
 - ☐ Letters of Support
- ☐ Minority/Women/Disabled Veteran Business Enterprise Contract Requirements (Appendix I)

FORMS

FORM 1

APPLICATION AND AUTHORIZATION FOR RFP 96-1

1. Project Title: _____
2. Organization Name: _____
3. Mailing Address: _____

If P.O. Box, please specify street address also:

4. Lead Person: _____ Telephone: _____
Title: _____ FAX Number: _____
5. Project or work site: _____

6. Technology Type (e.g., emission control, emission prevention, etc.): _____
7. Product(s) or Process to be Commercialized: _____

8. Stage of Development (check one):
☐ Pilot
☐ Prototype
☐ Application Demonstration
9. Match Amount:
Applicant (prior investment)¹: _____
Applicant (this project)¹: (a) _____
Partner: (b) _____
10. Requested amount and total project cost (see Fig. 2):
ICAT Funds: _____
Match Amount²: (a + b) _____
Total Project Cost: _____

¹ If this dollar amount includes prior expenditures, include Form 4 with the final proposal.

² Do not include prior expenditures.

11. Participating Organizations:

	\$ Investment	
	Cash	In-Kind ³
Applicant: _____	_____	_____

Partner 1: _____	_____	_____
Partner 2: _____	_____	_____
Partner 3: _____	_____	_____
Partner 4: _____	_____	_____
Other Gov't: _____	_____	_____
ICAT: _____	_____	_____

12. California Project or Company Information:

- Is the Project Located in California? Yes_____ No_____
- Is the Applicant Business a California Business?
- Is the Principal Office Located in California? Yes_____ No_____
- Does a majority of the Business's Officers Reside in California? Yes_____ No_____
- Is a Majority of the Income Taxes Paid by the Business, California Income Taxes?
Yes_____ No_____

13. Duration:

Length of Proposed Project (months): _____
Length of Proposed Contract (months): _____

14. Project Abstract (400 words):

Problem:

³ If in-kind services are included, attach Form 5 with the final proposal.

Previous Work:

Objectives:

Description:

Estimated Emissions Reductions (type, quantity, and important assumptions used to estimate quantity):

Estimated Jobs Created in California and Types:

I certify to the best of my knowledge and belief that I have read and understand the terms and conditions contained in this RFP and Appendices and that the information contained in this proposal is correct and complete. In addition, I hereby authorize the California Air Resources Board to make any inquiries and obtain any financial information necessary to evaluate my organization's capability to supply the necessary financial support to the proposed project.

Signature of Authorized Official

Date

Typed Name

Title

FORM 2
CORPORATE STATISTICAL INFORMATION

GENERAL CORPORATE INFORMATION		
Applicant or Partner:		
Address:		
Project Contact:	Tel:	California Ownership (%):
Year Incorporated:	<input type="checkbox"/> Whole Company	<input type="checkbox"/> Operating Division
Years Under Current Management:	<input type="checkbox"/>	<input type="checkbox"/>
Legal Status of Business: <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> General Partnership <input type="checkbox"/> Non Profit <input type="checkbox"/> Limited Partnership <input type="checkbox"/> SubCharter S Corporation <input type="checkbox"/> Corporation <input type="checkbox"/> Government Agency <input type="checkbox"/> University		
Corporate Fiscal Year:		

GENERAL FINANCIAL INFORMATION	Company Year End		
\$000'S	Previous Year (19)	Current Year (19)	Next Year (19)*
U.S Sales			
California Sales			
Foreign Sales			
Annual Sales			
Consulting			
Profit, Net after Tax (Loss)			
Number of Employees			

ANNUAL RESEARCH AND DEVELOPMENT EXPENDITURES (as of company year end)	Operating Budget		
	Previous Year (19)	Current Year (19)	Next Year (19)
Company Sources			
Other Government Programs			
Government Contract R and D			

Total R and D Budget			
----------------------	--	--	--

* Basis for projection: _____

	Dollars		
OTHER GOVERNMENT ASSISTANCE	Previous Year (19)	Current Year (19)	Next Year (19)
Investment Tax Credit-R and D			

Does a Research and Development Department exist? () Yes () No If yes, total number of R & D staff _____

Department Name and Address:

Name and Title of Department Head or Director:

Phone () _____
Fax () _____

CHARACTERIZE THE RESEARCH AND DEVELOPMENT STAFF AS FOLLOWS:	Number Employed at Company Year End		
Scientific/Technical	Previous Year (19)	Current Year (19)	Next Year (19)
Ph.D's			
Master's			
Bachelor's			
Other Professional	Previous Year (19)	Current Year (19)	Next Year (19)
Ph.D's			
Master's			
Bachelor's			

Is the applicant a party to any claim or lawsuit? () Yes () No

If "yes", please explain _____

Has the applicant declared bankruptcy in the past 10 years? () Yes () No Chapter? _____ Date of filing _____

I certify to the best of my knowledge and ability that the information given in this application and supporting documents is complete, true and correct. I will provide all information required by the ARB to complete the assessment of this project.

Name and Title of Authorized Official

Signature of Authorized Official

Signature of Principal Project Contact

Signed at _____ this _____ day of _____ 19 _____.

Form 3

Budget Submittal Form

PLEASE TYPE OR PRINT:

Title of Proposal:

Total Budget:

Total ICAT Funds Requested:

Period Covered (months):

Business or Institution:

Address:

Name of person authorized to bind this bid:

Title:

Phone:

Signature of person authorized to bind this bid: _____

Budget Summary*

<u>Direct Costs</u>	<u>ICAT</u>	<u>Total Project</u>
1. Labor & Employee Fringe Benefits	\$ _____	_____
2. Subcontractor(s)/Consultant(s)	\$ _____	_____
3. Equipment	\$ _____	_____
4. Travel & Subsistence	\$ _____	_____
5. Electronic Data Processing	\$ _____	_____
6. Photocopying & Printing	\$ _____	_____
7. Mail, Telephone, and FAX	\$ _____	_____
8. Materials & Supplies	\$ _____	_____
9. Analyses	\$ _____	_____
10. Miscellaneous	\$ _____	_____
Total Direct Cost	\$ _____	_____

<u>Indirect Costs</u>	<u>ICAT</u>	<u>Total Project</u>
11. Overhead	\$ _____	_____
12. General & Administrative Expenses	\$ _____	_____
13. Other Indirect Costs	\$ _____	_____
Total Indirect Costs	\$ _____	_____

Total Direct and Indirect Cost:	\$ _____	\$ _____
--	----------	----------

* Budget details must be supplied on pages Form 3-2 through 3-8. Budget totals on this form must match totals for categories on those pages.

PROJECT BUDGET								
TOTAL PROJECT COST ESTIMATES \$000S		Task 1		Task 2		Task 3		Total
		ICAT	Total	ICAT	Total	ICAT	Total	
Labor & Employee Fringe Benefits								
Subcontractor(s)/Consultant(s)								
Equipment								
Travel & Subsistence								
Electronic Data Processing								
Photocopying & Printing								
Mail, Telephone, and FAX								
Materials & Supplies								
Analyses								
Miscellaneous								
Overhead								
General & Administrative Expenses								
Other Indirect Costs								

ESTIMATED TOTAL PROJECT CONTRIBUTION \$000S							
Contributor	Name	Task 1	Task 2	Task 3	Total	% Total Budget	Approval* Status
Applicant							
Partners	1						
	2						
	3						
Government Programs**	1						
	2						
ICAT Funds							
TOTAL							

* Identify the status of the commitment for funding (e.g., 100% approved, approval pending, applied for).

** Other Governmental Funding Programs

Please use additional page if more space is required.

Budget Detail
I. Direct Costs

1a. Labor Charges

Individual's Name	Work Title	Est. Hours	ICAT Cost	Total Cost
A.				
B.				
C.				
D.				
E.				
F.				
G.				
H.				
I.				
(use additional page if necessary)				
Subtotal:				

1c. Fringe Benefits (Applies to all Bidders)

Base(\$)	Rate(%)	ICAT Cost	Total Cost
A.			
B.			
C.			
D.			
E.			
F.			
G.			
H.			
I.			
(use additional page if necessary)			
Subtotal:			

2. Subcontractors and Consultants

List all subcontractors and consultants. Also separate Budget Submittal form for each subcontractor and consultants.

Subcontractor or consultant	ICAT Cost	Total
A.		
B.		
C.		
Subtotal:		

3. Equipment (itemize)

Item	ICAT Cost	Total
A.		
B.		
C.		
D.		
Subtotal:		

4a. Travel and Subsistence (itemize) Use State rates (see Form 3-12). NO FOREIGN TRAVEL ALLOWED

Description	ICAT Cost	Total
A. Air transportation		
B. Ground transportation		
C. Per diem or subsistence		
D. Other		
Subtotal:		

4b. Destination, Purpose and Duration of each Trip.

Destination	Purpose	No. of Days
1.		
2.		
3.		
4.		

5. Electronic Data Processing (itemize)

Description	ICAT Cost	Total
A. Computer usage		
B.		
C.		
D.		

Subtotal:

6. Photocopying & Printing (itemize)

Description of product	ICAT Cost	Total
A.		
B.		

Subtotal:

7. Mail, Telephone & FAX (itemize)

Item	ICAT Cost	Total
A.		
B.		
C.		

Subtotal:

8. Materials & Supplies (itemize)

Item	ICAT Cost	Total
A.		
B.		
C.		
D.		
E.		
F.		
G.		
H.		

Subtotal:

9. Analyses (itemize)

Item	ICAT Cost	Total
A.		
B.		
C.		
D.		
E.		
F.		
G.		
H.		

Subtotal:

10. Miscellaneous (itemize)

Item	ICAT Cost	T o t a l
A.		
B.		
C.		
D.		

Subtotal:

Total Direct Cost (add subtotals for categories 1-10):

II. Indirect Costs

11. Overhead

Base (Salaries)	Rate	ICAT Cost	T o t a l
A.			
B.			
C.			

Subtotal:

12. General and Administrative Expenses

Base	Rate	ICAT Cost	T o t a l
A.			
B.			
C.			

Subtotal:

13. Other Indirect Costs

Base	Rate	ICAT Cost	T o t a l
A.			
B.			
C.			

Subtotal:

Total Indirect Cost (add 11-13):

Total Project Cost:

Instructions for Budget Submittal Form

- The Budget Submittal Form must be signed by a person who is authorized to bind the applicant to this bid.

Direct costs

Direct costs are those expenses that can be identified as specifically necessary to carry out the terms of the contract.

1. *Labor.* Labor is the compensation of employees for the time and effort devoted specifically to the execution of the contract. The cost of labor includes individual or position rates per unit of time. In the Budget Summary, enter the total labor cost for the duration of the contract. In the Budget Detail on Form 3-4, section 1a, labor charges must be broken down by work time unit and rates for each qualified employee assigned to the project. Compensation for personal services paid or accrued to each employee must be within a reasonable range for work performed.

Budget augmentations to existing contracts, including cost of living adjustments, are not allowed for any reason. If the project will extend beyond one fiscal year, reasonable planned wage rate increases should be used for the portion of the project that will be carried out after the first fiscal year.

Employee Fringe Benefits. Fringe benefits include allowances and benefits provided by the contractor to its employees as compensation in addition to regular wages and salaries. Fringe benefits include but are not limited to the cost of vacation, sick leave, holidays, military leave, employee insurance, taxes on labor, pensions, and supplemental unemployment benefit plans. Benefits to be charged against the contract must be paid in accordance with the firm's established policies. Enter cost for actual benefits or a percentage of labor costs (but no more than 35% of labor costs). If the project will extend beyond the first fiscal year, reasonable planned increases in fringe benefits should be included for the portion of the project covered by the subsequent fiscal years.

2. *Subcontractor(s)/Consultant(s).* In the Budget Summary, enter the total cost of services that are to be produced or performed by others in accordance with ARB's direction, and which are applicable only to the prime contract. In the Budget Detail, Form 3-5, section 2, list each subcontractor and consultant by company name. The bidder must submit a completed copy of the Budget Submittal Form for each subcontractor and consultant.

3. *Equipment.* Equipment is all tangible personal property that:
 1. Has a normal useful life (including extended life due to repairs) of at least four years;
 2. Has a unit acquisition cost of at least \$500 excluding land and structures;
 3. Is to be used to conduct work under this contract.

The cost of equipment includes the purchase price plus all costs to acquire, install, and prepare equipment for its intended use. In the Budget Detail, Form 3-5, section 3, identify each item of equipment, indicate whether it is to be purchased or leased, and list its cost. **NOTE: ARB reserves the right to subtract equipment amounts greater than \$25,000 and to purchase this equipment through the state procurement process. However, the equipment and its cost must be included in the bid.**

4. *Travel and Subsistence.* Travel costs include expenses incurred by employees for transportation, lodging, subsistence, and related items while traveling on official business necessary for the contract. Travel expenses and per diem rates for the primary contractor and any subcontractors must be set at the rate specified by the California Department of Personnel Administration for similar employees or verification must be supplied that indicates such rates are not available to the contractor. Please refer to Form 3-12, Travel Expenses Reimbursement Chart. *No foreign travel is allowed for any personnel.*
5. *Electronic Data processing (EDP).* EDP costs include those for computerized and auxiliary automated information handling, including systems design and analysis, conversion of data, computer programming, information storage and retrieval, data transmission, requisite system controls, simulation, and related interactions between people and machines. **NOTE: ARB reserves the right to subcontract all EDP equipment costs and to purchase this equipment through the state procurement process. However, the equipment and its cost must be included in the bid.**
6. *Photocopying and Printing.* This consists of costs for printing and photocopying services necessary for the contract, including forms, manuals, and reports relating to the contract accomplishments or results.
7. *Mail, Telephone, and FAX.* This consists of costs for mailings and telephone and FAX communications necessary to carry out the terms of the contract.

8. *Materials and Supplies.* This consists of the cost of materials and supplies necessary to carry out the terms of the contract. Items include direct purchases or withdrawals from stockrooms. Purchases made specifically for the contract should be charged at their actual prices after deducting discounts. Withdrawals from stockrooms should be charged at cost under any recognized method of pricing consistently applied. Incoming transportation charges are a proper part of material costs.
9. *Analyses.* This consists of cost for specific chemical or physical laboratory tests to determine composition or other properties of samples.
10. *Miscellaneous.* List all costs not included in the categories described above and provide the basis for pricing.

Indirect costs

For each type of indirect cost, provide the assumptions used to calculate the rate. For example, if the rate is based on salary, state the classification of the employee: full professor, research administrator, student, etc., as well as the dollar amount.

11. *Overhead Costs.* Overhead costs are expenses to be incurred in the contractor's normal course of doing business during the life of the contract, such as accounting services, utilities, and overall technical supervision. Commercial organizations should use their overhead rates on direct salaries.
12. *General and Administrative (G&A) Expenses.* This applies to commercial organizations. These costs include any management, financial, or other expense incurred by or allocated to a business unit for the general management and administration of the business unit as a whole. G&A rate is usually calculated as a percent of total direct cost.
12. *Other Indirect Costs.* These include indirect costs not covered in items 11 and 12.

TRAVEL EXPENSES REIMBURSEMENT CHART

LODGING ALLOWANCES:

Non-Conference/Convention/Business Meeting

W/O Receipt	Up to \$24.99
With Receipt	Up to \$79.00+tax ¹

MEAL ALLOWANCES:

Breakfast	Up to \$ 5.50
Lunch ²	Up to \$ 9.50
Dinner	Up to \$17.00
Incidentals ³	Up to \$ 5.00

MILEAGE (Per mile rate):

Private Vehicle	Up to 24 cents
-----------------	----------------

PARKING

W/O Receipt	Up to \$6.00
With Receipt	Actual Cost

¹ May claim reimbursement for the room rate up to the amount indicated plus the entire tax.

² Lunch allowance may not be claimed for travel less than 24 hours (i.e., 1-day trip).

³ The incidental allowance is intended to reimburse claimant for newspapers and magazines, personal telephone calls, laundry and dry cleaning, portage and other miscellaneous expenses incurred during the course of travel. This allowance may not be claimed for travel less than 24 hours.

FORM 4

Applicant Prior Investment¹

Date of Expenditure	Description of Expenditure	Value Determination ²	Value Claimed
------------------------	----------------------------	----------------------------------	------------------

¹ INCLUDE WITH FINAL PROPOSAL

² Describe how the dollar amount was determined (e.g., actual hardware cost, number of hours of labor @ hourly rate.

FORM 5

In-Kind Contributions¹

Description of Expenditure

Value Determination²

In-Kind Value Claimed

¹ INCLUDE WITH FINAL PROPOSAL

² Describe how the dollar amount was determined (e.g., actual book value of equipment, fair market rental value)

FORM 6

Confidentiality Provision

The following statement must be signed by the applicant and returned to the Air Resources Board with the applicant's final proposal if the proposal includes proprietary or confidential information.

The applicant agrees that, in order for the Air Resources Board (ARB) to accomplish an evaluation of the applicant's bid proposal, it may be necessary for the ARB to disclose to non-ARB personnel information considered by the applicant to be proprietary or confidential. This information will only be disclosed to a review panel composed of ARB and non-ARB members. Non-ARB review panel members will sign a nondisclosure statement regarding proprietary or confidential information.

The restriction of disclosing this information shall not apply to any information identified by the applicant as proprietary or confidential that (a) is already known to the public or the ARB at the time of disclosure, or (b) is or becomes publicly known through no wrongful or negligent act on the part of the review panel members or the ARB.

The applicant further agrees that s/he has read the following confidentiality provision and agrees to its terms and conditions.

"It is understood that in the course of carrying out this agreement, the ARB may provide proprietary or confidential information ("Proprietary Information") to non-ARB staff. The review panel member agrees to use his/her best effort to hold Proprietary Information in confidence and shall return it to the ARB upon the completion of the agreement.

This obligation shall apply only to Proprietary Information that is designated or identified as such in writing by the ARB prior to the disclosure thereof. All Proprietary Information shall be sent only to the review panel members. Moreover, this obligation shall not apply to any Proprietary Information which: (a) is or becomes publicly known through no wrongful or negligent act on the part of the review panel; (b) is already known to the review panel member at the time of disclosure; (c) is independently developed by the review panel member without breach of this agreement; or (d) is generally disclosed to third parties by the ARB without similar restrictions on such third parties."

Applicant's signature

Date

**CONTACT MS. ANNMARIE MORA TO RECEIVE A
COPY OF THE APPENDICES AND A COPY OF THE
QUESTIONS AND ANSWERS REGARDING THIS RFP.**

**MS. ANNMARIE MORA
(916) 323-1067 PHONE
OR FAX (916) 322-4357**